



# vietnam legal update

June 2011 edition

## contents

<a href="#"><u>Allens announces the appointment of a new partner in Vietnam</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>New rules for registration of contracts and transactions</u></a>	<a href="#"><u>1</u></a>
<a href="#"><u>More intervention from the SBV</u></a>	<a href="#"><u>3</u></a>
<a href="#"><u>A potential ban on the sale of unfinished houses</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>Case commentary – Never-ending litigation</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>Securities trading update</u></a>	<a href="#"><u>8</u></a>
<a href="#"><u>The Civil Proceedings Code gets a revamp</u></a>	<a href="#"><u>11</u></a>
<a href="#"><u>Allens marks International Children's Day</u></a>	<a href="#"><u>12</u></a>
<a href="#"><u>New legal instruments</u></a>	<a href="#"><u>13</u></a>

The material contained in Vietnam Legal Update is intended to inform readers of recent legal developments in Vietnam. It is not intended and should not be relied upon as legal advice.

Should readers wish further information in relation to any legal instrument or matter mentioned in this issue, they are encouraged to contact one of our Vietnam offices (details at the end of this issue).

In brief: This month we look at the latest efforts by the State Bank to curb dollarisation and support the Vietnamese currency through interest rate caps and reserve ratios, as well as new product responses from the banks. We report on new regulations governing the registration of certain contracts and transactions, securities trading and civil proceedings. Our case commentary reminds us of the potential for long, drawn-out Vietnamese litigation and we ponder recent news reports about a potential ban on the sale of unfinished houses. We are also proud to announce the appointment of Dang Xuan Hop as a new partner in our Hanoi office, as well as report on our recent charity efforts to assist the children's hospital in Ho Chi Minh City.

Visit [www.vietnamlaws.com](http://www.vietnamlaws.com)

- subscribe to (or take a free tour of) Vietnam Laws online database – a searchable database of over 3,400 of our English translations of Vietnamese laws regulating investment and business
- access free translations of a selection of Vietnamese laws
- read the Vietnam Legal Update from 2011 back to 1997 - complete with index of contents and search function
- find out more about our practice in Vietnam

Visit [www.aar.com.au](http://www.aar.com.au)

- find out more about the Allens Arthur Robinson network and our international practice

Allens Arthur Robinson (**Allens**) is a leading international law firm in South East Asia, China, and Australia.

Allens offers one of the most comprehensive legal networks in Asia and Australia with offices in Bangkok, Beijing, Brisbane, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Melbourne, Perth, Port Moresby, Shanghai, Singapore and Sydney.

Allens' Vietnam practice is led by resident partners Bill Magennis, Nigel Russell and Thomas Miller. Our in-country team consists of international and local lawyers and legal translators.

We encourage feedback from our readers regarding the Vietnam Legal Update. Please direct all enquiries, comments and suggestions to us via email at [VLU@aar.com.au](mailto:VLU@aar.com.au).

## Allens is proud to announce the appointment of Dang Xuan Hop as a Partner

We are very proud to announce the appointment of Dang Xuan Hop as a Partner of our firm from 1 July 2011.

Hop started working at Allens' Hanoi office in 1994. Since then, he has completed undergraduate law degrees at the Hanoi National University and at Bond University in Australia (where he was awarded the University Medal), a Master of Laws at Melbourne University and a Doctor of Philosophy in International Disputes at Oxford University.

Hop's legal practice focuses on foreign investment in infrastructure projects and on dispute resolution.

He is on the panel of arbitrators at the Pacific International Arbitration Centre, the Kuala Lumpur Regional Centre for Arbitration and at the Singapore International Arbitration Centre.

Hop is the first Vietnamese Partner of Allens.

For more information about Hop and his practice, please visit [www.aar.com.au/newpartners2011](http://www.aar.com.au/newpartners2011)



## New rules for registration of contracts and transactions

Circular 05/2011/TT/BTP of the Ministry of Justice providing guidelines on the registration of, and provision of information relating to, security transactions, contracts and asset attachments for enforcement purposes, to the National Office for Registration of Security Transactions under the Ministry of Justice, dated 16 February 2011 (**Circular 05**)

For the first time Circular 05 brings together guidelines relating to the registration of, and provision of information relating to, a wide variety of transactions which are registrable with the Centres for Registration of Transactions and Assets, run by the Department of National Security Transaction Registration under the authority of the Ministry of Justice. The Circular, which took effect on 20 April 2011, repeals existing guidance set out in:

- Circular 06/2006/TT-BTP dated 28 September 2006 (**Circular 06**)
- Circular 04/2007/TT-BTP dated 17 May 2007 (**Circular 04**); and
- Circular 07/2007/TT-BTP dated 9 October 2007.

### Registration of certain contracts

Like its predecessor, Circular 04, Circular 05 guides the registration of various contracts including:

- sale and purchase contracts involving deferred payment;
- certain property leasing contracts (being those with a lease term of more than 1 year); and
- contracts for the assignment of debts.

Some of these registrations are compulsory while others are voluntary, but very important in order to obtain priority of payment. One such example is the registration of the assignment of a debt. Under Decree 163-2006-ND-CP on security transactions dated 29 December 2006, where the right to reclaim a debt is assigned, the priority order between the assignee and any mortgagee of that right, will be determined by reference to the time at which the relevant transactions were registered. This means that if a person:

- assigns a debt to party A; and
- mortgages the debt to party B,

the priority as between parties A and B will be determined by whomever registers first.

## Registration of attachment of assets

Circular 05 also provides guidance on the registration of 'attachment of assets' where specified assets are 'attached' pursuant to a writ of the courts for the purposes of enforcement of a judgment. The law requires that the attachment be registered as soon as it comes into existence, except where:

- the relevant assets have been handed over to an individual or entity who will keep them in good condition, or are kept in storage by the enforcement body; or
- the total value of the assets is less than the equivalent of 30 months' minimum salary.

## New land-related assets added to the list of registrable assets

Fund certificates, the 'costs of site clearance' and other assets on land which are not under the authority of the district or provincial Land Use Rights Registration Office have been added to the list of registrable assets in Circular 05. Importantly, property rights flowing from land use rights and house ownership are expressly excluded from the list of registrable assets.

## Timing of registration

Given the obvious importance of timing of registration for determining priorities, a significant change introduced by Circular 05 relates to the time at which registration will be effective. Under the predecessor, Circular 06, registration was effective when the Centre received a completed request for registration. However, under

Circular 05, registration will now only become effective when the substance of the registration request is entered into the Centre's data system. This change puts registrants at risk for any delays in the Centre's entering of data.

## More intervention from the SBV

Circular 13/2011/TT-NHNN of the State Bank of Vietnam requiring State economic groups and corporations to sell foreign currency to credit institutions, dated 31 May 2011

**(Circular 13)**

Circular 14/2011/TT-NHNN of the State Bank of Vietnam on interest rates applicable to USD deposits, dated 1 June 2011 **(Circular 14)**

Decision 1209/QD-NHNN of the State Bank of Vietnam increasing the compulsory reserve ratio in foreign currency, dated 1 June 2011 **(Decision 1209)**

Official Letter 3675-NHNN-CSTT of the State Bank of Vietnam on raising deposits and lending in VND guaranteed by USD, dated 11 May 2011 **(Official Letter 3675)**

June has seen no let-up in the efforts of the State Bank of Vietnam (**SBV**), pursuant to Resolution 11/NQ-CP of the Government dated 24 February 2011, to tighten monetary policy in order to control inflation and the use of foreign currency within the Vietnamese economy.

Following on from the efforts reported on in our March, April and May editions of the VLU, this month the SBV has targeted the sale of foreign currency in the hands of state-owned groups, again tackled the interest rates available on United States Dollar (**USD**) deposits and increased the compulsory reserve ratios for foreign currency deposits of credit institutions.

According to early press reports in the Vietnamese media, the moves by the SBV seem to have had the desired effect – strengthening the popularity of the VND and decreasing the 'dollarisation' of the Vietnamese economy by making foreign currency less attractive. However, it remains to be seen how long-lasting the effect is, and whether the SBV feels the need to take further action shortly.

### Sale of foreign currency by State entities

Circular 13, issued on 31 May, requires State Economic Groups and Corporations to sell the balance of their on-call or term deposit foreign currency accounts or any other foreign currency which is received from other legal sources. These currency sales, which begin from 1 July 2011, must be conducted monthly, although the State entities may retain sufficient foreign currency amounts required to meet their lawful requirements for foreign currency within the relevant month.

Under the Circular, these same entities are allowed to purchase foreign currency from the credit institutions to whom they have sold currency if they find themselves in the situation of having sold too much and being therefore unable to meet their monthly legal requirements for foreign currency.

## Interest rates on USD deposits

As previously reported in our April edition, in March and April the SBV issued Circulars regulating the maximum interest rates for Vietnamese Dong (**VND**) and USD deposits. Those Circulars established a significant difference between the permitted interest rates, namely 14% for VND deposits and for USD deposits only 1% for corporate depositors and 3% individual depositors. The Circulars made it clear that these caps applied to the aggregate interest, including any promotions or gifts offered by the banks.

On 1 June the SBV went a step further, lowering the maximum USD deposit interest rates to:

- 0.5% per annum for corporate depositors; and
- 2% per annum for individual depositors.



June has seen another busy month for the SBV as they seek to discourage 'dollarisation' and strengthen the VND

## Compulsory reserve rates

In a related move, on the same day that the interest rates were lowered, the SBV also issued Decision 1209 which increased the compulsory reserve ratio applicable to credit institutions holding foreign currency deposits. Specifically, the ratio for foreign currency deposits:

- with a term of less than 12 months was raised from 6% to 7%; and
- with a term of more than 12 months was raised from 4% to 5%.

This move, which will increase banks' expenses in mobilising foreign currency, is expected to raise the interest rates charged on foreign currency loans, in turn making VND loans more attractive.

## Are VND deposits guaranteed by USD the answer?

Given the increasing limitations imposed on foreign currency deposit rates, some of the banks have sought to introduce new products to meet customer demand.

One such product is a VND savings deposit where the value is 'guaranteed by USD'. It is understood that in essence, the product involves the following elements:

- the customer making a deposit in VND;
- the bank internally converting the deposited amount into USD at the then prevailing exchange rate (ie the rate on the date of deposit);
- on maturity, the bank repays the depositor the higher of:
  - the converted USD amount which is re-converted back into VND at the then prevailing exchange rate (ie the rate on the date of maturity); or
  - the originally deposited VND amount.

The downside for the depositor is that, if the exchange rates work against them, they will receive only their original deposit and forgo any interest that would otherwise have accrued on the VND deposit.

There was also some suggestion that banks were exploring a similar product for loans, where a VND loan would be guaranteed by USD.

The SBV had remained silent as to the legality of such products until an enquiry was sent by one bank. In its response, in Official Letter 3675, the SBV expressed the view that:

The law on raising capital forbids raising capital in the form of receiving savings deposits in VND guaranteed by USD and other forms of raising capital inconsistent with provisions of law.

However the response made no reference to specific provisions of the law which such deposits would contravene.

The Official Letter also made passing mention of proposed loan arrangements, noting only that banks may reach agreement with borrowers on the currency for repayment and on the preservation of value of any principal debt in accordance with the SBV's Decision 1627-2001-QD-NHNN1 dated 31 December 2001.

The Official Letter, while clear on the SBV's views of this particular deposit product of the enquiring bank, raises several questions. Firstly, given that the Official Letter was sent only to the initial enquiring bank and that Official Letters do not have the force of law, other banks could argue that it has no legal effect or application to them. Moreover, in failing to provide a clear legal basis for the assertion of illegality of these products and providing only a vague reference in relation to loan products, the SBV has left open the ability of other banks to challenge this view.

## A potential ban on the sale of unfinished houses?

In May this year reports surfaced in the Vietnamese media of a proposal by the Ministry of Construction to ban housing developers from selling 'unfinished' houses. According to the reports, the proposal was intended to address the current shortage of affordable houses while unfinished houses were being left unoccupied, in some cases for years, wasting necessary land resources.

Our investigations, however, have not revealed any draft proposal or circular from the Ministry on this subject. Certainly looking at the current laws there are no requirements for 'finished houses' or that a developer must finish a house prior to sale. The only existing requirement is that the developer must complete construction of the foundations before entering into a sale contract.

If the proposed ban were to come into effect, it is anticipated that the relevant authorities would likely need to visit all houses prior to sale, or require a certificate from an independent inspection company, to verify the 'completion' of the house. This may take the form of checking compliance with the developer's implementation schedule or even form part of the process for issuance of the title certificate of the house. Either way, this would obviously be an expensive and time-consuming process. Another potential issue with this approach would be defining precisely what level of completion was required, for example whether exterior finishing would be sufficient or whether the interiors must also be completed.

We will keep our eye out for further press reports, or indeed draft of final instruments, relating to this interesting proposal.

## Case commentary: Asia Investment Trading v Saigon Jewellery Company Limited

Judgment No. 11/2003.HDTP-KT

This month's case commentary looks at the long history of litigation between Asia Investment Trading (**AIT**) and its erstwhile partner, Saigon Jewellery Company Limited (**SJC**) which has most recently resulted in a judgment rendered by the Judges' Council of the Supreme Court, the highest court of appeal in Vietnam.

### The initial dispute and the first two decisions

In 1993 AIT, a company from Australia, entered into a joint venture with a Vietnamese company, SJC. In 1997, after several years of unprofitable operation, the joint venture obtained permission from the authorities to dissolve itself. It then took another two years for the joint venture parties to reach an agreement on the distribution of the assets of the joint venture company.

However, it appears that even after these lengthy negotiations, SJC had second thoughts and refused to honour the agreement, resulting in AIT bringing proceedings before the Ho Chi Minh City in 2001 seeking orders requiring SJC to honour the asset distribution agreement.

The Ho Chi Minh City trial court dismissed AIT's application on the basis that the parties had not followed correct procedures in reaching the asset distribution agreement. The trial court ordered the parties to go back and follow the correct procedures to reach an agreement on how to distribute the assets and liquidate the joint venture. If no agreement could be reached, they could then bring new court proceedings.

In 2002 AIT unsuccessfully appealed the decision of the trial court.



Court judgments, even at appellate level may be subject to further review. This provides little certainty of outcome and can result in years of expensive litigation with no conclusive end.

## The cassation hearing and re-trial

In 2003, the initial judgment (and the unsuccessful appeal) were appealed to the Judges Council of the Supreme Court pursuant to a cassation procedure. Under a cassation process, which is only available on application by either the Chief Justice of the Supreme Court or the Chief Procurator, in addition to considering whether there has been any error in law or procedure, the Judges Council may also review the merits of the case.

In this case, the Judges Council reviewed the facts and concluded that the decisions of the courts below were 'not consistent with the facts of the case'. In particular, the Judges Council found that the lower courts should have dealt with the issue of asset distribution rather than sending the parties away to negotiate further. In other words, the Judges Council formed the view that the lower courts had reached the wrong conclusion as a matter of merit. Following this decision, the Judges Council sent the case back to the Court of Ho Chi Minh City for a re-trial.

For unknown reasons it was not until 2010, almost 7 years later, that the re-trial eventually took place. Judgment was handed down in December 2010, with the trial judge upholding some of AIT's claims and dismissing others. However, in a

further unusual step, in February 2011 – some four months after the initial judgment was delivered - the judge issued an addendum to his judgment making several further orders. In March 2011 the judge again issued a further addendum to the judgment ordering further payments between the parties. The legal status and basis for these post-judgment orders is questionable given the judgment had already been rendered and, arguably, the judge's power in the matter had been exhausted. Given this, and the history of this litigation to date, it seems likely that either or both of the December 2010 judgment and the subsequent orders will be appealed.

## Commentary

While there is nothing new in saying that court litigation can be lengthy, real-life examples such as this serve as a timely reminder that parties to disputes would be well advised to consider alternative dispute resolution methods such as negotiation, mediation or arbitration, which may hopefully bring finality to their matter more quickly than court proceedings. In particular, given that Vietnam's highest appeal court - the Judges Council – is able to make its own assessment of the facts and decide that lower courts have made the 'wrong' decision on the merits of a particular case, litigants should be aware that they face the possibility of potentially endless, and certainly expensive, litigation.

## Securities trading updates

Circular 74-2011-TT-BTC of the Ministry of Finance guiding securities trading, dated 1 June 2011 (*Circular 74*)

Circular 74, which will take effect on 1 August 2011, contains several welcome additions designed to improve the performance of, and trading on, Vietnam's stock exchanges.

### Multiple accounts permitted

Currently each investor is only allowed to open one trading account at a securities company. Circular 74, however, will allow an investor to have multiple accounts, provided that an investor opens only one account with each securities company. In addition, all holdings across an investor's multiple accounts must be aggregated for the purposes of disclosing majority shareholdings in accordance with legal disclosure requirements.

There are also some exceptions for multiple accounts with the same securities company in certain cases. For example, a fund management company may open an account for itself and accounts for the funds managed by that company at the same securities company. Also, a wholly foreign-owned insurer operating in Vietnam when trading in securities must open two accounts if investing both the insurer's own equity and also funds raised from insurance premiums. The account used for investing its own equity will be subject to the cap on foreign ownership,

while the cap will not apply to the premium-investment account.

## Securities trading within the same day

Also for the first time Circular 74 will allow the sale and purchase of the same type of securities within one day, subject to the following conditions:

- that only one account may be used to effect both the sale and the purchase orders; and
- that the investor may only purchase (or sell) the same type of securities if their previous sale (or purchase) order for that type of securities has been completed and the trading order satisfies the escrow deposit requirement.

The State Securities Commission is yet to issue the specific guidelines on the escrow deposit requirement, so it remains to be seen precisely how these conditions will operate in practice.

Safeguards designed to stop market manipulation also remain. An investor is not allowed to conduct deals which do not result in any change of ownership of securities or simultaneously place purchase and sale orders for the same type of securities on the same order matching occasion, whether using the same or different accounts.

New guidelines and rules on securities trading will hopefully improve trading conditions and enhance the effectiveness of Vietnam's stock exchanges

## Trading authorisations

When an investor opens a securities trading account they may authorise a securities company, securities depository bank or an individual to conduct deals on their behalf. Where an individual is authorised, the authorisation document must conform with the principles set out in the Civil Code, including that the authorisation be certified by the local authority or notarised, and provide a clear scope of authorisation. The authorised individual is also prohibited from conducting deals on their own behalf or for any third person for whom they also hold an authorisation. Staff members of securities companies are not permitted to accept authorisations from investors.

## Trading of treasury shares

Listed entities and entities registered for trading are now permitted to redeem 'odd lots' of shares for investors to form treasury shares. Odd lots are parcels of between 1 and 99 shares.

In addition, although under existing regulations treasury shares can only be sold more than 6 months from the date of purchase, under the new Circular odd lots of treasury shares will not be subject to this time limit.

## Margin trading

A key new aspect of Circular 74 is the recognition and regulation of 'margin trading'. As defined in Circular 74, margin trading is where a client buys securities with money borrowed from a securities company and uses the securities bought with the loaned money (as well as other securities in their account) as collateral for the loan.

Under Circular 74 any investor wishing to conduct margin trading must open a special margin trading account at the same broker where they have previously opened a securities trading account. An investor may only open one margin trading account at each securities company. The securities company must manage the margin trading account of the investor separately from their other trading accounts.

A securities company is obliged to publicly disclose the list of securities in which it conducts margin trading. Moreover, margin trading may be conducted only in respect of 'eligible' shares and investment fund certificates. Final requirements for eligibility and regulations guiding margin trading are yet to be promulgated, however a draft set of regulations was issued by the Ministry of Finance on 9 June. Under the draft guidance only shares and fund certificates listed on the stock exchange (not UpCom) will be eligible and even then only if the securities:

- have been listed for at least 6 months;
- are not subject to any transfer restrictions or special controls;
- have a book value in excess of their par value;
- satisfy specified solvency criteria; and
- have not been subject to defined 'large price fluctuations'.

It remains to be seen whether each of these eligibility criteria, and what others, are included in the Ministry's final regulations.

## The Civil Proceedings Code gets a revamp

Law 65-2011-QH12 of the National Assembly amending certain articles of the Civil Proceedings Code, dated 29 March 2011

Law 65 introduces several amendments to the existing Civil Proceedings Code which will take effect from 1 January 2012. In this article we look at several of the key changes.

### Declaration of notarised documents to be invalid

The amended Law establishes a new procedure for the courts to declare whether a notarised document is invalid on the basis that the notarisation is in breach of the Law on Notarisation.

The power of the Courts to declare invalid a notarised document is not new. Under the existing Code the courts, in settlement of disputes in relation to a notarised contract, may declare a contract invalid. However, the amended Law sets out a simpler procedure where the parties can simply request that the court declare a notarised document to be invalid without considering the entire dispute between the parties. Specifically, the district level people's court of the location of the relevant notary has the authority to consider and settle such an application. The application may be made by the notary officer themselves, the party requesting the notarisation, the witness, any related parties or any competent State authority.

The court has 30 days to prepare for the hearing and determine whether to open a trial to consider the petition. If a decision is made to commence the trial, the court then has 15 days to open the trial. If the court does determine that the notarised document is invalid, it must also decide on the consequences of that invalidity.

It is not entirely clear from the text whether these new procedures apply only where the validity of the notarised document is challenged on the basis that the notarisation process itself was flawed or whether, given that notarisation also involves the notary effectively confirming the validity of the document being notarised, they may also be used where the basis of the challenge is more substantial. Given the simplified procedure set out, it is more likely the former.

### Presence of parties at a hearing

Under the current Code the presence in court of the defendant and their lawyers are dealt with in two separate provisions. The Code goes on to provide that if either of these people are absent for a second time from the trial after being properly summonsed, the Court is permitted to conduct the hearing regardless of their presence.

Unfortunately defendants and their lawyers have been successfully relying on these provisions to delay court hearings. In particular, because a defendant and their lawyer are dealt with separately, they can each delay proceedings one time

(by non-attendance) so as to delay the hearing until the third summons without any reason.

The amended Law has removed this loophole. Under the new rules if any party or its lawyers are not present after a single summons, the hearing will be postponed. However, after a second summons, the court will hear the case regardless of the presence of the defendant or its lawyers.

### Limitation period

Limitation periods are the periods during which an aggrieved party has the right to initiate court proceedings against the alleged defaulting party. Once any relevant limitation period expires, unless otherwise stipulated by law, the right to initiate legal action is lost and the court will refuse any petition regardless of its merits. Limitation periods provide certainty and finality and encourage aggrieved parties to take action without delay.

Under the Code, the general limitation period for commencing civil actions is 2 years unless otherwise stipulated (whether in the Code or other legal instruments). The amended Law introduces new carve-outs from this basic limitation period for:

- disputes over asset ownership;
- recovery of assets managed or dominated by other persons; and
- disputes over land use right.

Specifically, under the amended law there will be no limitation period for these types of disputes. Given the range of disputes covered by these categories, this is an important change which may see an increase in litigation in 2012.

## Allens marks International Children's Day with donation to HCMC Children's Hospital No. 2

To coincide with International Children's Day on 1 June, the firm has donated funds to Children's Hospital No 2 in District 1, Ho Chi Minh City, Vietnam. The donation will be used to provide nutritious meals for young patients within the hospital's kidney and endocrinology ward.



Allens Ho Chi Minh City-based partner, Nigel Russell, visits the ward at Children's Hospital No. 2 to present a donation to mark International Children's Day 2011

The kidney and endocrinology ward is southern Vietnam's only treatment facility for children suffering from end-stage chronic renal failure. The ward treats 40 children, aged between two and 15 years, who are on artificial kidney dialysis and peritoneal dialysis. Due to the high cost of surgery and the rarity of kidney donations, patients at Children's Hospital No 2 do not have a transplant option. They subsequently spend prolonged periods on dialysis, which also proves costly over time.

Ho Chi Minh City-based Partner Nigel Russell said the firm's Charity Committee works hard to raise much-needed funds for disadvantaged people.

"This latest donation is part of the firm's commitment to give back to the community. Disadvantaged children suffering chronic renal failure often have poor diets, which further hinders their treatment. Hopefully our donation will help improve the health of these incredibly ill children.

International Children's Day is an important day to celebrate with family and friends but it is also a time to recognise that more can be done for children worldwide."

## Legal instruments recently uploaded on to the Vietnam Laws online database

Vietnam Laws online database (available at [www.vietnamlaws.com](http://www.vietnamlaws.com)) is an online searchable database containing English translations of more than 3,500 Vietnamese laws. Legislation recently uploaded includes:

- Draft 16, Decree on food safety, 4 April 2011
- Circular 03 on certification of safe load-bearing capacity and quality conformity of construction works, 6 April 2011
- Official Letter 3678 on lending in VND guaranteed by USD, 11 May 2011
- Decision 28 with List of Import/Export Services of Vietnam, 17 May 2011
- Decree 39 on administrative penalties in the accounting sector, 26 May 2011
- Circular 13 on compulsory sale and purchase of foreign currency by State Economic Groups and Corporations, 31 May 2011
- Decision 828 approving Petrolimex equitisation plan, 31 May 2011
- Decision 1209 raising compulsory reserve ratios of banks on foreign currency deposits, 1 June 2011
- Decision 29 with List of Industries and Sectors entitled to the preferential interest rate when borrowing ODA funds of the Government, 1 June 2011
- Circular 14 lowering ceiling interest rates for raising USD deposits to 0.5% from organizations and 2% from individuals, 1 June 2011
- Circular 74 on securities trading (margin trading; use of multiple brokers;

and buy and sell orders for the same type of securities on the same day),  
1 June 2011

- Circular 78 on PIT exemption for medical expenses of serious illness paid by employer, 8 June 2011
- Draft Regulations on margin trading, 9 June 2011
- Decree 34 dated 25 March 2008 on foreign employees, as amended by Decree 46, 17 June 2011
- Official Letter 8217 with the Ministry of Finance's tax cut proposals (to be decided by the National Assembly in July), 22 June 2011

Bangkok  
Beijing  
Beijing IP  
Brisbane  
Hanoi  
Ho Chi Minh City  
Hong Kong  
Jakarta  
Melbourne  
Perth  
Port Moresby  
Shanghai  
Singapore  
Sydney

**Hanoi**

Suite 401, Hanoi Tower  
49 Hai Ba Trung Street, Hoan Kiem District  
Hanoi, Vietnam  
T +84 4 3936 0990  
F +84 4 3936 0984  
[Bill.Magennis@aar.com.au](mailto:Bill.Magennis@aar.com.au)

**Ho Chi Minh City**

Suite 605, Saigon Tower  
29 Le Duan Boulevard, District 1  
Hi Chi Minh City, Vietnam  
T +84 8 3822 1717  
F +84 8 3822 1818  
[Nigel.Russell@aar.com.au](mailto:Nigel.Russell@aar.com.au)